GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1146
ANSWERED ON:23.11.2001
REVENUE FROM TABACCO INDUSTRY
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Will the Minister of FINANCE be pleased to state:

(a) the total business of tobacco industry in the country;

(b) the extent to which the business of tobacco industry is likely to be affected by banning the smoking in public place;

(c) whether the Government will lose large revenue collection on this account; and

(d) if so, the manner in which the Government will make up the loss?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a)The total consumption of tobacco and total consumer expenditure on tobacco products in 1999-2000 is estimated to be 441 Millions Kilogram and Rs. 27,000 crore respectively.

(b)It is difficult to quantify the extent to which tobacco industry is likely to be affected. However, there is expected to be a fall in tobacco consumption in general and a shift to non-smoking products.

(c)The revenue collection (which is mainly from central excise duty) in respect of tobacco products has shown an upward trend in the first half of the current financial year, as compared to the corresponding period last year.

(d)Does not arise, in view of part (c) above.